

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                 |   |               |
|---------------------------------|---|---------------|
| GENERAL ADJUSTMENT IN ELECTRIC  | ) |               |
| AND GAS RATES OF LOUISVILLE GAS | ) | CASE NO. 8616 |
| AND ELECTRIC COMPANY            | ) |               |

O R D E R

IT IS ORDERED that Louisville Gas and Electric Company shall file an original and 12 copies of the following information with the Commission, with a copy to all parties of record, by November 5, 1982. If neither the requested information nor motion for an extension of time is filed by the stated date, the case will be dismissed.

1. Provide a detailed analysis of the costs incurred for this rate case and the last general rate case. This should include the amounts paid in salaries, fees, retainers, and expenses of counsel, accountants, engineers, clerks, witnesses, etc. The analysis should show the date, payee, dollar amount and a description of each expenditure.

2. Provide the amount charged to expense during the test year for the remodeling of rental property at the Lincoln Federal Building.

3. For all employees listed as executive officers at the end of the test year provide the following information (if not previously provided in response to Item No. 48 of the Commission's Order of September 16, 1982).

(a) The salary during the test year.

(b) The annual salary at the end of the test year.

Also, for employees elected to executive officer status during the test year, provide the salaries, for the test year, for those persons whom they replaced.

4. Provide the amount of excess deferred federal income taxes resulting from the reduction in the corporate tax rate from 48 percent to 46 percent in 1979, as of the end of the test year.

5. Describe in detail the coverages provided under the company's medical insurance through Blue Cross-Blue Shield. Indicate what, if any, part of this is set out in the current union contract with the IBEW.

6. Provide a complete description of the coverage provided the company's employees through Health Care of Louisville. List the number of union employees participating at the beginning of the month, for each month from January through June, 1982.

7. Describe the services provided the company's employees by Human Development Company, Inc. and indicate to which employees these services are available. Also, in relation to the proposed adjustment for this expense, provide updates of the monthly cost for August and September, 1982.

8. Provide workpapers and any other supporting documents detailing the amount of \$1,916,385 charged to operating expense for pension costs during the test year. Additionally, explain the current pension plan as it compares to the plan in effect

prior to May 1, 1982, and indicate how the prior plan differed from what had been estimated in Case No. 8284 with an annual cost of approximately \$4.7 million.

9. In Item 10E(a), page 2 of 3, of the response to the Commission's Order of September 16, 1982, reference is made to the period of outage for extensive maintenance on the module shells at Mill Creek Unit 3. Indicate the period of the outage, the cost of the maintenance done, and provide a breakdown of the maintenance costs between materials and labor charges.

10. Referring to Item 10E of the response to the Order of September 16, 1982, provide the following information:

(a) Source documents and/or explanations for the amounts of 5,611.9 and 3,009 for tons of sulfur from the MC2 and MC3 adjustments shown on page 1 of 5.

(b) Source documents and/or explanations for the amounts of 25,126.7 and 14,235.9 for tons of ash from the MC2 and MC3 adjustments shown on page 1 of 5.

(c) A complete analysis of the waste processing O & M cost of \$910,761 incurred during the test year, shown on page 2 of 5. Indicate accounts charged and the labor charges included.

(d) A complete analysis of the ash handling O & M cost of \$845,995 incurred during the test year, as shown on page 3 of 5. Indicate accounts charged and the labor charges included.

(e) An analysis of the SDRS O & M cost of \$4,495,566 incurred during the test year, as shown on page 4 of 5. Show the accounts

charged and the labor charges included. Also, explain the increased cost, per ton of sulfur, from \$149 in Case No. 8284 and the increase in the variable component of the cost from 75 to 85 percent.

(f) The derivation of the 55,646.4 for tons to disposal; the derivation of the 6,408.3 for tons of sulfur; and the derivation of the \$3.52 per ton for disposal costs, all 3 shown on page 5 of 5 as part of the adjustment for MC4 operations.

11. From Item 12(a) of the response to the Order of September 16, 1982, provide the following information:

(a) A detailed analysis of the increase in Account No. 512, Maintenance of Boiler Plant, shown on page 2 of 29. This should include a breakdown between materials and labor charges for the test year and the 12 months preceding the test year with detailed explanations for the levels of expense incurred during the months of March, April, and June in 1982.

(b) A detailed analysis of the increase in Account No. 513, Maintenance of Electric Plant, shown on page 2 of 29. This should include a breakdown between materials and labor charges for the test year and the 12 months preceding the test year with detailed explanations for the levels of expense incurred during the months of December, 1981 and March, 1982.

(c) Analyses of the following increases, as shown on page 18 of 29: Account No. 832, Maintenance of Reservoirs and Wells; Account No. 833, Maintenance of Lines; and Account No. 834,

Maintenance of Compressor Station Equipment. This should include, for each account, a breakdown between materials and labor charges for the test year and the 12 months preceding the test year. This should also include explanations for the following levels of expense:

- (1) Account No. 832 - April, May, and June, 1982.
- (2) Account No. 833 - October, 1981.
- (3) Account No. 834 - June, 1982.

(d) A detailed analysis of the increase in Account No. 887, Maintenance of Mains, shown on page 23 of 29. This should include a breakdown between materials and labor charges for the test year and the 12 months preceding the test year with detailed explanations for the levels of expense incurred during the months of March, April, May and June in 1982.

12. Provide a description of the consulting services provided by G. F. O'Neill and indicate when these services were first provided (Reference Item 22(B), pages 15-17, of the response to the September 16 Order).

13. Provide a description of the services provided by the Houchin Company and indicate when these services were first provided and when they were terminated (Reference Item 23, page 5 of 9, of the response to the Order of September 16).

14. Relating to the proposed temperature normalization adjustment for electric sales provide the following information for each of the calendar years 1971 through 1981:

- (a) The average number of residential customers.
- (b) Residential electric sales volume.
- (c) Average residential usage.
- (d) Number of degree days.
- (e) Temperature-normalized residential sales volume.
- (f) Temperature-normalized average residential usage.

15. Provide all workpapers used to develop the FPC composite growth and dividend yield figures, from 1975 to August 31, 1982, presented in Monteau schedule 13, page 2 of 2.

16. Provide an updated copy of Wilkerson Exhibit 5, reflecting the actual annual cost rate of the recently issued pollution control bonds.

17. Provide a statement showing how the interest rate is determined for Trust Demand Notes, item 42B, page 1 of 1, staff information request.

18. In Wilkerson Exhibit 5, line 6, column 2, a \$15 million adjustment was made for pollution control bonds, out of the \$60 million bond issue. Why was \$15 million used?

19. In reference to the 8-page response to Item 38(g) of the Commission's Order dated September 16, 1982, provide a statement explaining the determination of the following:

(a) The amount of "tilt" toward the demand charges for rate LC, rate LP, Fort Knox, and other special contract customers, as discussed on page 5.

(b) The amount of the differential between the proposed increases in residential and non-residential customer charges for rate G-1 on page 6.

(c) The amount of the proposed increase to rate T-1 on page 7.

(d) The amount of the greater percentage increase to customer charges for rates G-1, G-6, and G-8, as discussed on page 8.

20. Provide MCF, total cost and unit cost per MCF data together with supporting workpapers for the following items:

(a) Gas cost component reflected in proposed base rates.

(b) Additional gas cost reflected in changes which were tracked through the PGA that would change the gas cost component reflected in base rates upon the incorporation of the PGA corresponding to base supplier rate as of the end of the test year into base rates.

(c) Gas cost component reflected in proposed base rates plus incorporation of PGA corresponding to base supplier rate as of the end of the test year into base rates.

21. On page 6, line 20 of Fred Wright's testimony reference is made to the company's "published load forecast." Provide this publication. If it is not provided in the publication, provide a narrative description of the load forecasting method, models, and data employed by the company in making its load forecasts.

22. On pages 23-26, in Fred Wright's testimony there is reference to 19 cost saving measures the company has undertaken

or plan to undertake. For each of the 19 measures provide a dollar estimate of the current and projected cost savings the company has realized or expects to realize as a result of implementing the measures. Provide a narrative description and applicable workpapers to support the estimates.

23. On page 6, line 1 of John Hart's testimony reference is made to the three categories of maximum annual hours of interruption. How were the categories of 150, 200 and 250 hours determined?

24. Provide a narrative description and workpapers, if applicable, of how the \$15 per kilowatt penalty charge mentioned on page 6, line 7 of John Hart's testimony was determined.

25. Describe and provide the details of the company's analysis of minimum-size facilities used to determine the customer cost components of the functions Primary Lines, Secondary Lines and Line Transformers. (See page 8 of Kasey Exhibit 1.)

26. Provide a narrative description as well as all applicable workpapers used to assign production and transmission demand-related costs to the three categories of capacity-base, intermediate and peak. (See page 12 of Kasey Exhibit 1.)

27. Provide a narrative description as well as all applicable workpapers used to assign the production and transmission demand related costs after they have been classified as base, intermediate and peak to the peak and secondary periods or as non-time-differentiated. (See page 12 of Kasey Exhibit 1.)



28. Describe how the company's load dispatch computer model calculates average energy costs. Also provide a description and workpapers, if applicable, of how the average energy costs were used to assign energy-related costs to the costing periods. (See page 13 of Kasey Exhibit 1.)

29. Describe the load research that provides the demand statistics used to develop the allocation factors for the company's cost-of-service study. (See pages 18 and 19 of Kasey Exhibit 1.)

Done at Frankfort, Kentucky, this 15th day of October, 1982.

PUBLIC SERVICE COMMISSION

*Katharine Randall*  
For the Commission

ATTEST:

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Secretary